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## India

### Agricultural Situation

### Weekly Highlights & Hot Bites, #8

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#### Report Highlights:

**\*New railcar policy hits wheat exports\*, \*AgMinister and ICAR want more field trials before bioengineered mustard seed approved\*, \*NGOs and farmer organizations argue for increased transparency in biotech approvals\*, \*Government says no to FDI in retail sector\*, \*MTR Foods eye alliance with Singapore-based company\*.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1], IN

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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### **NEW RAILCAR POLICY HITS WHEAT EXPORTS**

Wheat exports have come to a standstill during the past fortnight due to a sudden shift in government policy on allocating railway cars for exports of grains, according to industry sources. This has threatened the credibility of Indian wheat exporters and brought trade to a virtual standstill, Chairman, Assocham Expert Committee on Foreign Trade stated. According to him against a demand for 70 railcars by wheat exporters, the government is providing only seven. A large number of exporters were paying \$5,000 per day per vessel as demurrage due to non-delivery of wheat at ports caused by railcar shortage. (Source: Business Line, 11/15/02).

### **AG MINISTER AND ICAR WANT MORE FIELD TRIALS BEFORE BIOENGINEERED MUSTARD SEED IS APPROVED**

Indian Agriculture Minister Ajit Singh appealed that utmost care should be exercised to see that the three types of genetically modified hybrid mustard seeds developed by ProAgro are totally free from any health or environmental hazards. A senior official of the Indian Council of Agricultural Research, under the Ministry of Agriculture, has questioned the claims of the company on the superior yields of the new varieties mentioning that only four field trials have been conducted under the ICAR's supervision. Moreover, he continues, the data generated so far do not substantiate the claims made by the company and hence he suggested more field trials should be conducted before further consideration of approval is undertaken. (Source: Financial Express, 11/18/02)

### **NGOS AND FARMERS ORGANIZATIONS ARGUE FOR INCREASED TRANSPARENCY IN BIOTECH APPROVALS**

Three farmer organizations and as many as four NGOs operating in the country have jointly written to the Chief Vigilance Commissioner alleging that "the entire cost of so-called scientific experiments on the nine bioengineered crops under trials, estimated to the tune of US \$12.4 million, is being borne by private industry." As this huge investment is being made by the private sector alone, there is ample latitude for data manipulation by the industry. The GEAC is relying solely on data generated by the industry, they said. "The data generated has not been made public and this calls for a detailed investigation". (Source: Financial Express, 11/18/02)

**GOVERNMENT SAYS NO TO FDI IN RETAIL SECTOR**

The Planning Commission Advisor speaking at the retail summit organized by Federation of Indian Chambers of Commerce and Industries reiterated that foreign direct investment in the retail sector was a non-issue from the government's perspective. Responding to the arguments put forth by the chairman of Jardine Matheson for advantages of foreign direct investments (FDI) in the retail sector, he categorically stated that the opportunities for FDI in the retail sector will take another 10 years to open up. (*Source: Financial Express 11/19/02*)

**MTR FOODS EYES ALLIANCE WITH SINGAPORE-BASED COMPANY**

MTR Foods, a major player in the processed food business, is set to forge a strategic alliance with a Singapore-based food company. The proposed alliance, which may be a joint venture, may foray into new categories like value-added snacks which will be in line with MTR's move toward becoming a convenient meal solution provider for all times of the day. MTR's close competitor is the ready-to-serve food brand Tasty Bite. Recently, MTR has also entered the nascent frozen food products sector. (*Source: Economic Times 11/16/02*)

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